



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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December 2, 1999

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2000-31

TO: All UPS Agencies, Directors, Fiscal Officers and Personnel Officers

FROM: Ronald S. Mitchell
Director

SUBJECT: Final Remittance and Reconciliation of Tax Deposits for Calendar
Year 1999

It is the responsibility of each agency to reconcile all deposits made and wages reported by the Office of State Uniform Payroll for withholdings of Federal, Advance EIC, State, Social Security and Medicare taxes to Federal and State quarterly and yearly reports (i.e., 941 and L-3). It is imperative that guidelines and procedures be followed to eliminate any penalties and/or deficit or surplus balances in the payroll clearing fund.

AFTER FINAL TAX PAYMENTS ARE MADE BY OSUP for the last payroll in December, each agency will be responsible for paying balances due and/or recovering overpayments due to W-2cs. This includes taxes on any supplemental checks issued or payroll checks voided after the calendar year V/S deadline of 12:00 noon on 12/22/99 for the V/S run of payday 12/31/99. This also includes any V/S documents that did not clear the system in the final V/S run. OSUP Memorandum #2000-33 provides instructions on preparing W-2cs and processing Payroll Balance Adjustments for taxes on these V/S documents.

GUIDELINES FOR 941/L3 W-2 RECONCILIATION (Form UPR/F64)

To prepare the reconciliation, please refer to basic instructions provided in the 941/L3 & W-2c training class or Section 4.02 of the OSUP Standard Accounting Procedures Manual.

1. Prepare a preliminary 941/L3 W-2 Reconciliation Worksheet (UPR/F64) for the 4th quarter. If there is a YTD difference on line 7 of the worksheet, identify it and prepare W-2cs. Once all of the W-2cs have been prepared and the W-2 Summary Report amended, the 941/L3 W-2 Reconciliation Worksheet will need to be amended. Adjustments for W-2cs should be made on line 6. Adjustments that require an amended 941 and 941c will require changes to lines 1 - 5. Once W-2 items are identified and corrected and the above mentioned reports are amended, there should be no outstanding adjustments with the exception of some adjustments for third party sick pay. Further research should be done if there are outstanding adjustments.
2. **If the final reconciliation results in either an overpayment or underpayment of taxes, a file must be maintained to identify:**

- a) the means by which the underpayment and/or overpayment is to be collected from or refunded to the employee (e.g., Supplemental/Void document or money collected from employee or agency and deposited to agency Imprest Fund [see Special Notes]).
- and b) if collected or refunded through the system, the date on which the offsetting W-2c tax adjustment (Payroll Balance Adjustment) was processed in 1999.

If this file is maintained properly with copies of appropriate documents, agencies will be able to identify unpaid balances for tax vendors and process documents for depositing IRS and Dept. of Revenue refund checks more efficiently.

GUIDELINES FOR OVERPAYMENTS

FEDERAL, ADVANCE EIC, SOCIAL SECURITY, & MEDICARE TAXES (IRS)

Report the correct liability and request a refund on a 941c and amended 941. Remember to explain the decrease (or reason for the refund) in box 22 on the W-3c and also to explain the adjustment in Part V of the 941c.

STATE TAX (DEPT OF REVENUE)

Contact OSUP to get a copy of your agency's L-1. Amend Form L-1 and L-3 (remember to amend the back of the L-3 for the 2nd half of December) to report the correct tax liability; attach a letter requesting a refund and an appropriate copy of W-2cs, if applicable.

Upon receipt of any tax refund check; refer to Section 3.16 of the OSUP Standard Accounting Procedures Manual for instructions. Agencies must be able to match refund checks to the employee detail of the unpaid balances for the tax vendors (e.g., balance adjustments [AJPR] processed). If the check is not deposited into the clearing fund in the appropriate account, a balance will remain on the Unpaid Balance Report.

GUIDELINES FOR UNDERPAYMENTS

FEDERAL, ADVANCE EIC, SOCIAL SECURITY, & MEDICARE TAXES

Refer to IRS instructions on how? and when? balances due should be paid (i.e. manual check with 941 or 941c, or timely deposit). If payment is to be made with 941, request a P/R Payables check for balance due payable to the IRS (see Special Notes). Checks payable to the IRS will be returned to the agency for remittance with 941 or 941c. Report the amount owed as **Balance Due** on line 15 of the amended 941. Also, remember to explain the adjustment in Part V of the 941c. If payment is to be made as a deposit, contact OSUP immediately to make the payment electronically and for instructions on reporting the payment and liability on the 941.

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STATE TAX

Contact OSUP for instructions on amending L-1 and L-3 and electronically sending the payment to the Louisiana Department of Revenue. The Louisiana Department of Revenue no longer accepts paper checks.

SPECIAL NOTES:

To avoid late penalties, the agency may elect to pay the monies owed to the IRS for 1999 out of the agency Imprest Fund Account. Then, a P/R Payables check request should be made to reimburse the Imprest Account when and if the taxes due have been collected from the employee through the system (e.g., Supplemental check or ADJFW or ADJMW Payroll Adjustments).

If only federal and state taxable wages were reported in error, an amended 941 can be submitted with a letter of explanation and copies of the W-2cs. State returns do not need to be amended for wages only.

Proper tax payments and reconciliation of tax payments and W-2 information can be accomplished only if there is cooperation and coordination of activities/deadlines between personnel, payroll, and accounting staffs.

For further explanation or clarification on 941, W-2 and W-2c instructions, contact one of the following members of the User Services Unit at (225):

Karen Antoine	342-5354	Debbie Causey	342-5377
Lawanna Green	342-5345	Paula Rotolo	342-5357